

## MEMORANDUM

TO: Members, Public Disclosure Commission

FROM: Philip E. Stutzman, Director of Compliance

DATE: January 19, 2005

RE: 45- Day Citizen Action Letter Regarding Bill Ptacek, Director, King County Rural Library District

On November 18, 2004, Will Knedlik filed a “45-Day Citizen Action Letter” with the Office of the Attorney General and the Office of the King County Prosecutor, which was then forwarded to PDC staff for investigation. The letter alleged that officials of the King County Rural Library District (King County Library System, KCLS or the District) used the facilities of the District to promote passage of Proposition 1, a September 14, 2004 Capital Bond Measure, an alleged violation of RCW 42.17.130. The complaint alleged that officials of the King County Library System improperly used its facilities to promote the ballot proposition as follows:

- By producing and distributing information about the Capital Bond Measure that misinformed voters about facts central to casting an informed vote;
- By repeatedly using District assets, facilities and personnel to promote misinformation about the Capital Bond Measure;
- By making wrongful gifts of public property to fund its associated campaign operation;
- By wrongfully exploiting the prestige of the state’s judiciary to boot-strap credibility for its misstatements concerning the ballot proposition.

After investigating this matter, staff is of the opinion that the multi-faceted effort undertaken by the King County Library System went beyond its normal and regular conduct and its communications were not a fair and balanced presentation of the facts. The effort constituted a campaign promoting passage of Proposition 1, in violation of RCW 42.17.130.

### **Staff Recommendations**

Staff believes that the Commission’s penalty authority is not sufficient in this matter, and recommends that the Commission, in accordance with RCW 42.17.360, report the “apparent

violations” regarding Bill Ptacek and the King County Rural Library District to the Office of the Attorney General for appropriate action.

## **Justification**

### **Use of Public Facilities to Promote Passage of September 14, 2004 Capital Bond Measure**

On February 4, 2003, KCLS placed a \$158 million capital bond measure before voters. The ballot proposition followed an extensive community outreach effort in which the District gathered feedback from the community about the needs of the library system. KCLS conducted a minimal public information effort about the election, and the Capital Bond Measure failed, getting just 52.5 percent yes votes when a 60 percent supermajority was needed.

Following the failed February 2003 Capital Bond Measure, KCLS assessed its losing efforts and made a plan for its next bond measure which was held September 14, 2004. It was found that people did not believe KCLS did a good job of explaining what they were requesting, why it was needed, how much it would cost, and how the money would be used. As a result of this feedback, KCLS, at the direction of Mr. Ptacek, developed a plan for providing the needed information to the public for the September 14, 2004 Capital Bond Measure. The plan, which KCLS began implementing one year before the election, became known as the Bond Election Steering Team (BEST) Strategic Plan. It had three major components:

- Educating library users, staff and stakeholders on the value of KCLS;
- Conducting direct outreach to key communities and building a broader knowledge base among voting populations;
- Conducting outreach to key local and regional media and serving as a resource to local media.

The communication plan for sharing information with the public about the September 14, 2004 ballot proposition was similar in nature and size to many of its previous public information efforts concerning significant library system initiatives, such as its 2000 Library Card campaign, its 2002 Levy Lid Lift Election, and its 2002 Library Choices effort. However, KCLS implemented a much more comprehensive plan for its September 14, 2004 election than for its February 4, 2003 Capital Bond Measure that failed. The communication plan for the September 14, 2004 ballot proposition became a campaign plan to get the ballot measure passed.

Following an extensive public information campaign, KCLS passed its \$172 million Capital Bond Measure on September 14, 2004. The plan was implemented at the direction of Bill Ptacek, Director of KCLS. The plan was designed to remind and convince residents of the District of the value of the library system, why a capital bond measure was needed, and what it would pay for. To do this, Mr. Ptacek directed the development and implementation of several communication tools, including the following:

- Informational video shown to a variety of groups
- Brochures handed out in libraries
- Postcards mailed to residents of the District
- Bookmarks distributed to patrons of the libraries
- Banners and copies of postcards for the libraries
- Mousepad inserts placed on computers in libraries
- Stickers given to library patrons
- Bookbags for library patrons
- Website for anyone desiring additional information about the measure
- Use of Consultant to shape message

The cost for producing the video and printed materials, including fees paid to its consultant, was \$123,933. A portion of the consultant's work was for shaping and refining the KCLS long-term communication strategies with the public.

#### **Content of Information Distributed by KCLS Prior to September 14, 2004 Capital Bond Election**

**Informational Video** – KCLS, at the direction of Mr. Ptacek, produced an informational video. It was produced at a cost of \$11,500, and 75 copies were made at a cost of \$300. The video was used for staff training, meetings and presentations to school districts, "Friends of the Library" groups, and other community groups and organizations. The video provided general information about the District, its resources and services. It showed people using the library system for a variety of purposes and included several positive testimonials with individual users explaining why the library was of value to them. The video briefly discussed how KCLS had engaged in a community outreach program in 2003 and 2004. It then stated that the KCLS would be bringing a Capital Bond Measure to voters on September 14, 2004, and briefly mentioned that the bond would cost taxpayers not more than \$25 per year, comparing the cost to "*less than the price of a new book.*" The comparison of the bond cost per year for the owner of a \$300,000 home to the cost of a new book was repeated in several of the District's communication tools, and became a common theme that amounted to minimizing the bond cost. The tax rate per \$1,000 of assessed valuation was not mentioned in the video, nor was the total amount of the bonds (\$172 million) or the length of time taxpayers would be paying for the bonds (20 years). The length of payment (20 years) was not mentioned in narrative text in any of the District's public information materials. It was mentioned in chart form only on the web site. The video included positive statements like, "*the KCLS provides taxpayers with an excellent return on investment.*" It reminded listeners that if the bond measure is not approved, the funds for capital projects will come out of the operating budget which will severely impact staffing and services. The informational video was long on communicating the value of the library system and short on relevant facts about the bond measure.

**Brochures for Libraries** – At the direction of Mr. Ptacek, a tri-fold brochure with six panels was prepared for distribution in the 43 libraries of the district. The were also distributed at presentations to school boards, city councils, and other city and community groups, and at other community events. 75,000 brochures were produced at a cost of \$4,488. The brochure was made up of six panels:

- The first panel included the date of the election and six photographs depicting various types of library users, such as children, senior citizens, people with special needs, parents with young children, and students. It included the library system's slogan, *"Turn to us. The Choices will surprise you."* While this slogan is commonly used in non-election communications by KCLS, its repeated use in the 2004 election related information amounts to a marketing effort by the District.
- The second panel was entitled, "Dear Library Patron" and included responses from library users taken from a 2002/03 community outreach effort to identify priority needs in the communities served by the library district. The second panel listed what patrons said they wanted in their library and included positive statements like, *"You told us you value KCLS and believe the Library System plays an important role in the lives of children, youth adults and seniors."* Using this type of information, learned while communicating with patrons about the District's libraries, amounts to testimonials promoting passage of the ballot measure.
- The third panel explained that a \$172 million capital replacement bond measure had been placed on the September 14, 2004 ballot to replace the expiration of the capital funds provided through the 1988 bonds.
- The third and fourth panel show a map of the King County/Puget Sound region and indicates what capital upgrades will be conducted at various library sites.
- The fifth panel, entitled, "Meeting Community Needs" describes the total amount of bonds being requested (\$172 million), the date of the election, and says it will replace the expiring 1988 bond revenue and provide funding for the library's 10-year capital budget. It again states the cost as an average of \$25 per year, or the cost of one book.
- The sixth panel is entitled "Did you Know?" and provides information about the library system. It also includes the library logo and statement, *"Turn to us. The choices will surprise you."*

The brochure does not tell readers when the existing bonds expire, or how much longer taxpayers will be paying on the old bonds. In addition, it does not tell readers how long taxpayers will be paying for the new bonds.

**Postcards** – KCLS, at the direction of Mr. Ptacek, produced and mailed 532,582 postcards to all households in the Library District service area. Including postage costs of \$36,748, KCLS spent \$58,577 to produce and mail the postcards. The postcard included a picture of a child reading a book and included the date of the election. The postcard described the library system and stated, “To meet community needs, maintain a strong Library System and plan appropriate facilities for the next decade, *replacement funding is essential*.” The postcard stated the total bonds to be issued (\$172 million) and described the cost of the bonds. It said the bonds would replace the expiring 1988 bond revenue and provide funding for the library’s 10-year capital budget. It stated, “This replacement bond would cost each household *less than the bond currently in place — an average of \$25 per year*, the cost of one book.”

The reverse side of the postcard included the date of the election and four photographs depicting children, students, and seniors. The postcard was the most widely distributed information about the election and left residents with the impression that expiration of the current bonds is imminent, that the \$172 million in new bonds will cover *essential* capital projects for the next ten years, and if they own an average priced home, will only cost them \$25 per year (the cost of a single book per year) for the next ten years. It failed to inform the readers that the current bonds expire in 2011 or that the new bonds will be repaid over a 20 year period.

**Bookmarks** – KCLS, at the direction of Mr. Ptacek, produced and distributed three different bookmarks for the bond election. KCLS initially produced 20,000 of each design, and then produced an additional 20,000 of the third design at a total cost of \$5,691. Each bookmark design included a statement about the total amount of the bonds (\$172 million) the date of the election, the cost per year for a homeowner of a \$300,000 house, the statement that the \$25 average cost per year is the same as the cost of one book, and a statement that the bond must be approved by 60 percent of voters. The rest of the design for each bookmark was tailored to a specific type of library user.

- **Bookmark 1** – Included pictures of senior citizens and persons with special needs, and made statements about KCLS meeting the needs of the homebound and seniors through the Traveling Library Center.
- **Bookmark 2** – Included pictures of adults and working people, along with statements about how KCLS offers free career and employment resources for job seekers, and how KCLS provides access to technology resources – computer workstations, wireless and Internet access.
- **Bookmark 3** – Included pictures of parents with children, young students, and young adult students, and made statements about the Library System serving the academic needs of 230,000 students and educators in 438 public and private schools and thousands of home schooling families. It told the reader that KCLS provides homework assistance and tutoring resources.

**Banners and Posters** – KCLS, at the direction of Mr. Ptacek, made 60 banners advertising the library election at a cost of \$8,194. It also produced 800 posters at a cost of \$786 and 75,000 2-sided flyers at a cost of \$4,750 to be handed out to people viewing the posters. The banners and

posters were displayed at numerous libraries and were used at community presentations and events. The banner included the election date and pictures of a variety of types of library users. The poster included pictures of a variety of types of library users, and included a “Did you Know” section with facts and features of the library system and a statement announcing the September 14, 2004 ballot measure. The total amount of bonds to be issued (\$172 million) was not mentioned, and the cost was stated as “*approximately \$25 per year or the cost of one book.*” The poster also included the library system logo and statement, “*Turn to us. The choices will surprise you.*” The posters included a section for a customized message for the library in which the poster was placed. This section was used to post a flyer describing the proposed capital projects for that particular library.

**Mousepad Inserts** – KCLS, at the direction of Mr. Ptacek, produced 2,500 mousepad inserts at a cost of \$544 for use on the Library System’s computers. The mousepad inserts described the 2004 bond election by stating the date of the election, the total amount of the bonds, a statement that the bonds would “*replace the expiring 1988 bond and provide essential maintenance and upkeep for the next ten years*”, and the statement, “*This is not a new tax.*” For the cost of the bonds, it stated, “*Less than the current bond – an average of \$25 per year.*”

**Stickers** – KCLS, at the direction of Mr. Ptacek, produced 2,000 large round stickers at a cost of \$1,854 and 60 static window stickers at a cost of \$1,256. The stickers included the KCLS logo and website address, and stated the date of the library election.

**Bookbags** – KCLS, at the direction of Mr. Ptacek, produced 60,000 bookbags at a cost of \$15,993. One side of the bookbags included five pictures of various types of library users and stated the date of the election. The reverse side included the Library System logo and its slogan, “*Turn to us. The choices will surprise you.*”

**KCLS Website** – A majority of the printed materials produced and distributed by KCLS about the September 14, 2004 Bond Measure, including the video, directed people to the KCLS website for further information. The website contained more detailed information about the Bond Measure than most of the printed materials. However, essential information critical to casting an informed vote, such as when the existing capital bonds would expire and how long homeowners would be paying on the new bonds, were not included in any of the printed materials, but could only be found by searching the website. Even then, the length of time a homeowner would be paying for the new bonds could only be found by examining a bond cost chart. The website contained detailed information about the 1988 unexpired bonds and proposed 2004 bonds. It also linked readers to an 8-page document containing information about the 2004 Bond Measure.

Under “Commonly Asked Questions” there are 15 general questions, 10 funding/cost questions, a section on “Replacement Bonds”, and nine Project-Specific Questions. Under “Other Questions”, there is a description of the People for Libraries campaign effort with contact information. There is no corresponding contact information for the known opposition, Will Knedlik.

### **Use of Consultants**

KCLS, at the direction of Mr. Ptacek, hired the Metropolitan Group to assist with the communication efforts for the September 14, 2004 Capital Bond Measure. The consultant helped KCLS develop messages for the various types of printed materials. The messages were based on bond measure facts and on feedback received from library patrons and other user groups. The various printed materials had a promotional tone and were careful to show bond facts and other information in a favorable light. KCLS paid the Metropolitan Group \$10,000 for its consulting services. A portion of the consultant's work was for shaping and refining the KCLS long-term communication strategies with the public.

### **Community Visits Regarding September 14, 2004 Bond Election**

From February to September 2004, KCLS indicated that they were involved with 153 events or meetings with community groups where a presentation or display of information was made about the September 14, 2004 bond measure. In approximately seven of those events or meetings, the facilitators were from groups other than the library District, with the remaining events and meetings being conducted by KCLS staff. The visits were to such groups as senior centers and retirement homes, chambers of commerce, rotary groups, kiwanis meetings, schools, local community parades, PTA meetings, and lions club meetings.

### **2004 Bond Effort Compared to Other Major Policy Initiatives**

	Stickers, Mousepad inserts, Book Bags	Brochure Flyers	Bookmark	Consultant	Direct Mail Postcard	Community Outreach Efforts	Video	Editorial Board Visits	Voters Pamphlet	Banner & Posters
2000 <sup>1</sup> Library Card	X for Stickers	X		X	X	X		X	N/A	X
2002 Levy Lid Lift		X	X		X	X		X	Yes	X
2002 Library Choices		X	X	X	X	X	X	X	N/A	X
2003 Bond Election		X	X	X		X	X	X	No	X
2004 Bond Election	X for All Three	X	X	X	X	X	x	X	Yes	X

For each of the major policy issues and ballot propositions listed in the chart, KCLS employed use of its website.

KCLS, at the direction of Mr. Ptacek, used mousepad inserts and book bags to promote the September 14, 2004 election when it was not their normal practice to use these methods of

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<sup>1</sup> As part of the 2000 Library Card Campaign, the KCLS ran an extensive advertising effort that included radio spots, billboard and transit advertising, truck signs, and events that were not undertaken in other years.

communicating information for other major policy initiatives. Stickers were also used for the 2004 election, but had only been used for one other major policy initiative, the 2000 library card initiative. These departures from the established normal conduct for communicating information about major policy issues represent examples of promoting the September 14, 2004 ballot measure.

## SUMMARY

This investigation revealed apparent violations committed by Bill Ptacek, Director, King County Rural Library District. Mr. Ptacek was aware of RCW 42.17.130, the law prohibiting the use of public facilities in election campaigns, as KCLS representatives had worked with PDC staff in the past to provide input in the development of the PDC's "Guidelines for Local Government Agencies, Including School Districts, in Election Campaigns."

Staff alleges that **Bill Ptacek** violated RCW 42.17.130 by producing and using the following items, materials and expertise in a public information effort that was not fair and balanced, and thus, promoted passage of the September 14, 2004 Capital Bond Measure:

	<u>Cost</u>
▪ Informational video shown to a variety of groups	\$ 11,800
▪ Brochures handed out in libraries	\$ 4,488
▪ Postcards mailed to residents of the District	\$ 58,577
▪ Bookmarks distributed to patrons of the libraries	\$ 5,691
▪ Banners	\$ 8,194
▪ Posters and flyers attached to posters	\$ 5,536
▪ Mousepad inserts placed on computers in libraries	\$ 544
▪ Stickers given to library patrons	\$ 3,110
▪ Bookbags for library patrons	\$ 15,993
▪ Website for anyone desiring additional information	(minimal)
▪ Consultant	<u>\$ 10,000</u>
Total	\$123,933

KCLS, at the direction of Mr. Ptacek, established a history of engaging in public outreach efforts for past major policy initiatives. However, the efforts of KCLS for the September 14, 2004 capital bond measure was not fair and balanced, and thus, were in violation of RCW 42.17.130.

### Remaining Allegations:

The complainant alleged that KCLS sent its surplus books to the King County Library System Foundation so that proceeds from these sales could be sent to the associated campaign of People for Libraries political committee in support of the KCLS ballot proposition.



The Foundation is a not-for-profit entity registered under the Internal Revenue Code. In accordance with IRS code and an agreement with KCLS, proceeds from the sale of surplus library books must be used to enhance KCLS programs and facilities. The Foundation raised approximately \$775,000 in 2004 with nearly \$140,000 coming from KCLS pursuant to the sale of surplus books. The foundation used 83 percent of its expenditures to directly support various library programs, and five percent to make contributions to People for Libraries. The Foundation did not segregate its revenues to insure that no public funds were used to support ballot propositions.

Staff recommends that no enforcement action be taken with regard to this allegation, but recommends that KCLS be cautioned that if it is going to allow funds from surplus book sales to go to the Foundation, it needs to be assured that the Foundation has a system in place to segregate the money received to insure that none of the money from KCLS is used to support ballot propositions.

The complainant also alleged that *“KCLS wrongfully exploited the prestige of the state’s judiciary to boot-strap credibility for its pivotal misstatements on which its disinformation program relied.”* Staff found that while two of the member of the KCLS Board of Trustees are King County Superior Court Judges, the use of their title in the materials produced by KCLS was not done to promote passage of the September 14, 2004 ballot Capital Bond Measure. It is customary for KCLS to use the title of the judges when referring to them for KCLS business. Staff recommends that no enforcement action be taken with regard to this allegation.

Attachments: Relevant Statutes and Administrative Code